MO BUCK$



Linked Deposits for small businesses, farms, and communities

VIVEK MALEK
MISSOURI STATE TREASURER

Program Overview

The MO BUCK$ / Linked Deposit Program is a statutorily created lending program managed by State Treasurer Vivek Malek. The program strives to expand and strengthen Missouri communities by working with Missouri Banking Institutions to provide low-interest loans to qualified borrowers for business enhancement, growth, and development.

<u>Program categories include:</u>

- Small Businesses
- Agriculture
- Multi-Family Housing
- Job Enhancement
- Local Governments
- Alternative-Energy focused programs

Program Overview *(Continued)*

- In 2022, the Linked Deposit Program went through a rebranding and returned to its original roots with a name change to MO BUCK$.
- The MO BUCK$ / Linked Deposit Program has been assisting communities throughout the state since 1985.
- The State Treasurer's Office deposits funds with an approved borrower's qualified banking institution at a below-market interest rate.
- Lowering the market rate on deposits allows the lender to pass along a 30% interest rate reduction on the borrower's loan, resulting in an overall savings to the borrower and economic growth for Missouri communities.

Program Overview *(Continued)*

Since Treasurer Malek took office, the Treasurer's Office has approved ~$281 million in new deposits supporting low-interest loans through MO BUCK$.

2023 Program Year

- Program Year (PY) runs *October 1, 2022 - September 30, 2023*
- Placed 1,000 loans in the 2023 PY for a total loan amount of $538,680,927.
  - 96 loans / $46,640,151 *(women-owned businesses)*
  - 24 loans / $38,865,292 *(minority-owned businesses)*
    - Includes 4 loans / $10,510,219 (both women/minority-owned businesses)
  - 27 loans / $12,561,025 *(veteran-owned businesses)*

2023 Top 20 Women/Minority/Veteran-Owned Business Loans - $50,930,130

Loan Amount	Bank Name	Deposit Type	Application Region	WBE/MBE/VET
$8,008,200.00	Legacy Bank and Trust Co	Housing	6	WBE/MBE
$6,900,000.00	Central Bank	Small Business	4	MBE
$6,020,000.00	Hawthorn Bank	Small Business	9	MBE
$3,000,000.00	Oakstar Bank	Small Business	8	WBE
$2,621,133.00	Oakstar Bank	Small Business	3	MBE
$2,530,000.00	Hawthorn Bank	Small Business	4	WBE
$2,360,019.00	Oakstar Bank	Small Business	8	WBE/MBE
$1,900,000.00	Wood And Huston Bank	Small Business	7	MBE
$1,700,000.00	Wood And Huston Bank	Small Business	4	MBE
$1,679,163.00	Oakstar Bank	Small Business	6	VET
$1,650,000.00	Hawthorn Bank	Job Enhancement	6	MBE
$1,648,431.00	Hawthorn Bank	Small Business	4	WBE
$1,616,000.00	Saint Louis Bank	Small Business	9	WBE
$1,600,000.00	Equity Bank	Small Business	8	WBE
$1,450,000.00	Oakstar Bank	Small Business	8	MBE
$1,425,000.00	Oakstar Bank	Small Business	6	VET
$1,280,000.00	Commerce Bank	Small Business	6	VET
$1,250,000.00	Equity Bank	Small Business	8	WBE
$1,200,000.00	Triad Bank	Small Business	9	WBE
$1,092,184.00	Oakstar Bank	Small Business	6	MBE/VET

MO BUCK$

Linked Deposits for small businesses, farms, and communities

VIVEK MALEK
MISSOURI STATE TREASURER

2023 Women/Minority-Owned Business Loans by Region Totals

Region	Number of Loans	Loan Totals
North West	3	$1,349,000
North East	3	$222,000
Kansas City	10	$3,811,133
Central	36	$22,548,549
St. Louis	6	1,957,416
South West	27	$17,794,784
South East	6	$3,726,464
Jackson	13	$13,019,521
St. Louis City/County	6	$9,662,617
Out of State Application (*Project in MO*)	6	$903,740
Region Totals	116	$74,995,224

MO BUCK$

Linked Deposits for small businesses, farms, and communities

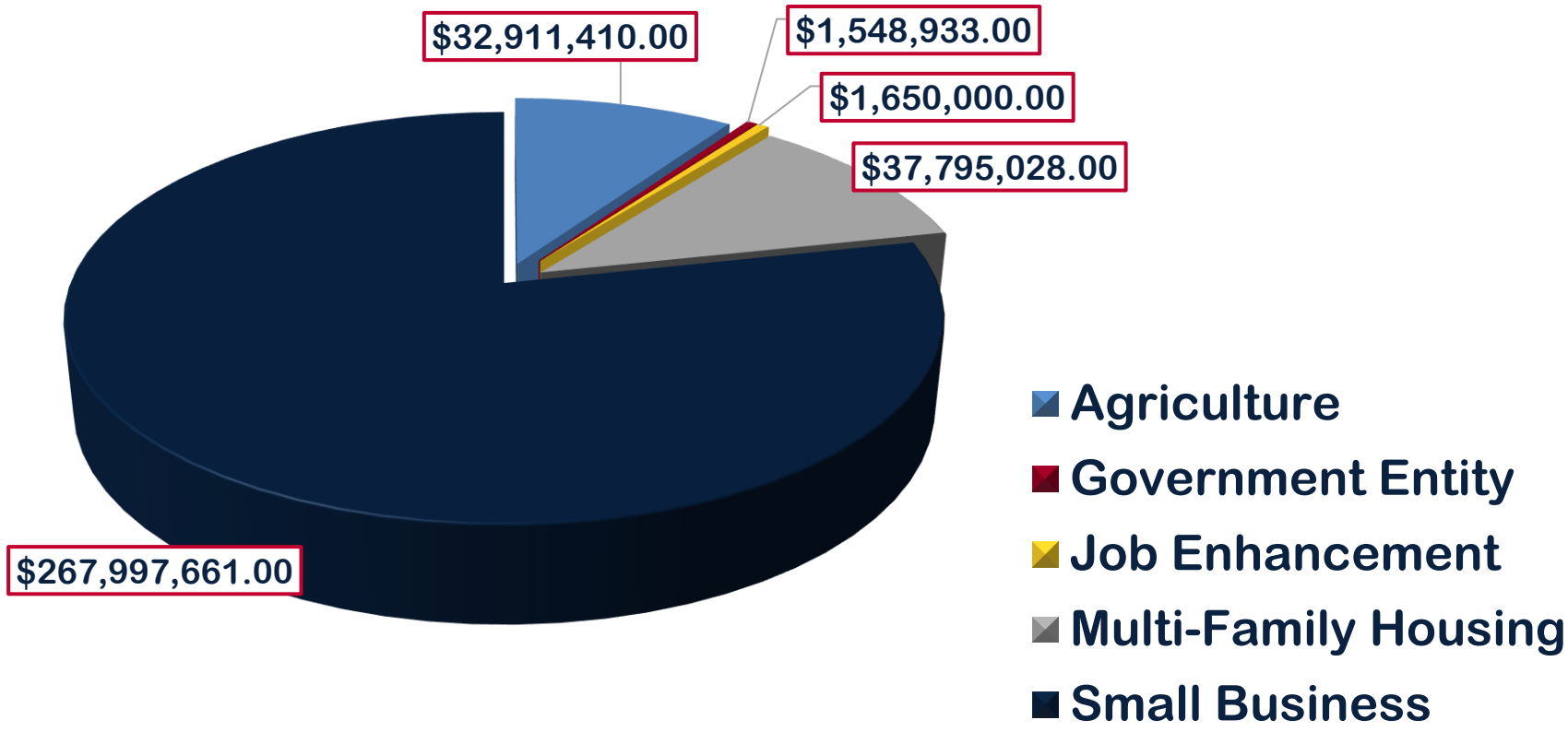
VIVEK MALEK
MISSOURI STATE TREASURER

Veteran Loans

PY	Veteran Loans	% of MLDP Portfolio
2023	$12,561,025	2.33%
2022	$5,595,779	1.92%
2021	$1,729,603	0.61%
2020	$6,508,127	1.54%
2019	$8,497,145	1.63%
2018	$11,749,767	3.03%
2017	$4,869,048	2.36%

New Deposits

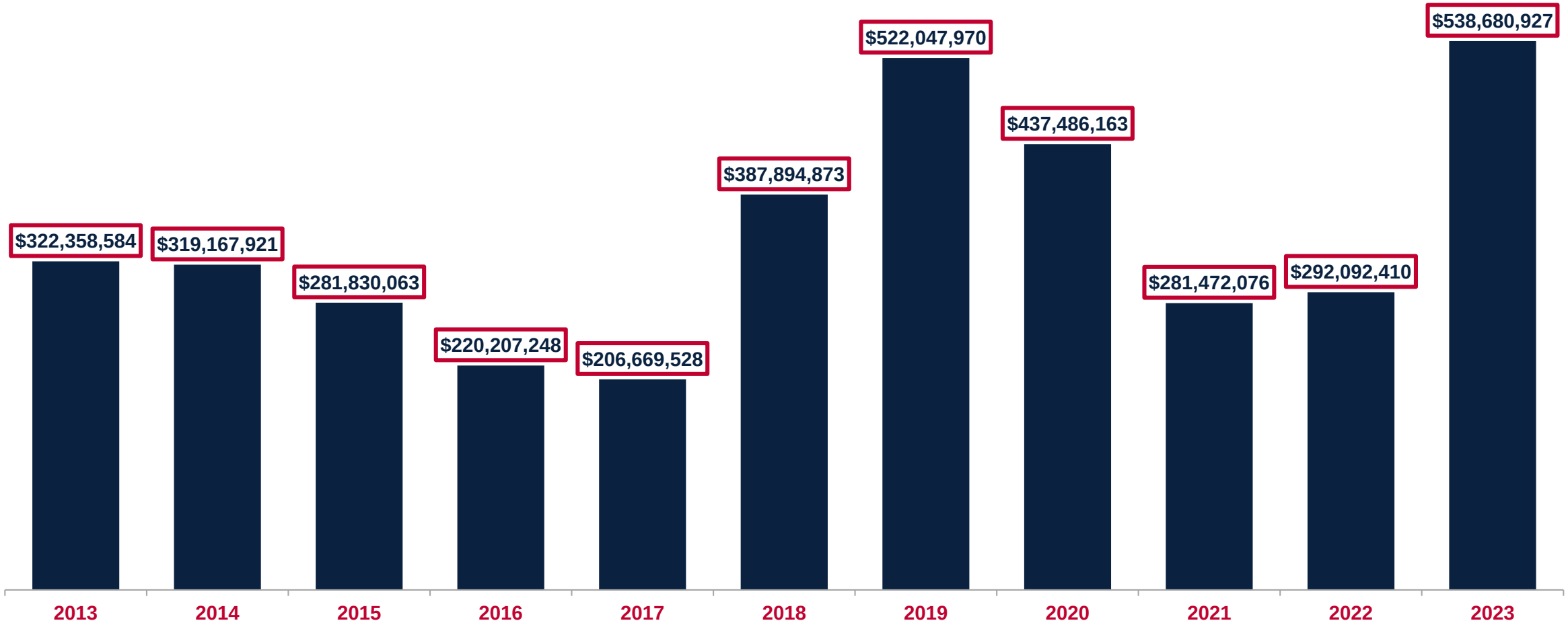
During the 2023 PY, the program issued 450 new deposits/loans totaling $341,903,032.



2023 showed an 84% increase in program use from 2022.

PROGRAM YEAR	TOTAL LOAN AMOUNTS	PERCENT INCREASE/DECREASE
PY2023	*$538,680,927*	*84%*
PY2022	$292,092,410	4%
PY2021	$281,472,076	-36%
PY2020	$437,486,163	-16%
PY2019	$522,047,970	35%
PY2018	$387,894,873	88%
PY2017	$206,669,528	-6%
PY2016	$220,207,248	-22%
PY2015	$281,830,063	-12%
PY2014	$319,167,921	-1%
PY2013	$322,358,584	-16%
PY2012	$382,037,950	-5%

Annual Totals by Plan Year



MO BUCK$

Linked Deposits for small businesses, farms, and communities

VIVEK MALEK
MISSOURI STATE TREASURER

Annual Totals by Category

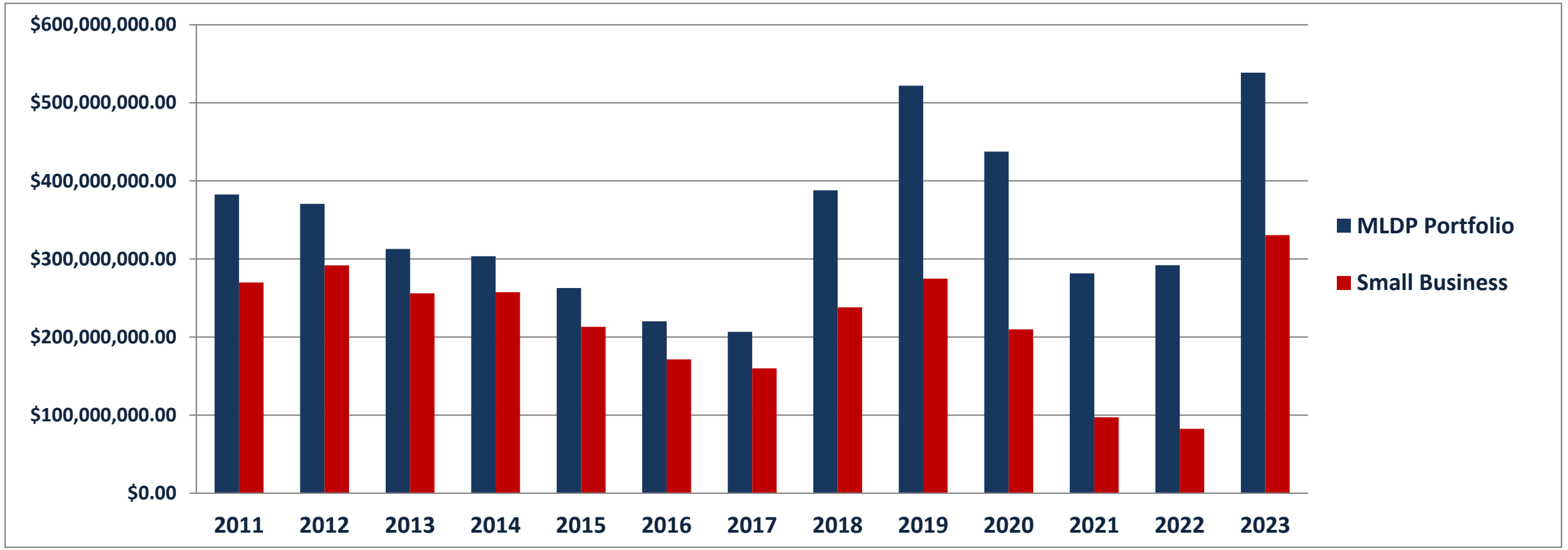
MLDP Category	PY 2017	PY 2018	PY 2019	PY2020	PY2021	PY2022	PY2023
Agriculture	$25,575,146	$109,894,675	$190,050,304	$187,098,565	$170,091,834	$201,383,185	$159,304,804
Multi-Family Housing	$17,535,003	$30,107,304	$43,286,367	$33,087,328	$13,639,700	$8,349,862	$45,667,203
Job Enhancement	$0	$700,000	$700,000	$0	$0	$0	$1,650,000
Small Business	$159,921,379	$238,027,410	$274,786,750	$209,752,941	$97,110,542	$82,359,363	$330,509,987
Alternative Energy	$8,000	$0	$0	$0	$0	$0	$0
Government Entity	$3,630,000	$9,165,484	$13,224,549	$7,547,329	$630,000	$0	$1,548,933
Totals	$206,669,528	$387,894,873	$522,047,970	$437,486,163	$281,472,076	$292,092,410	$538,680,927

Category Breakdown

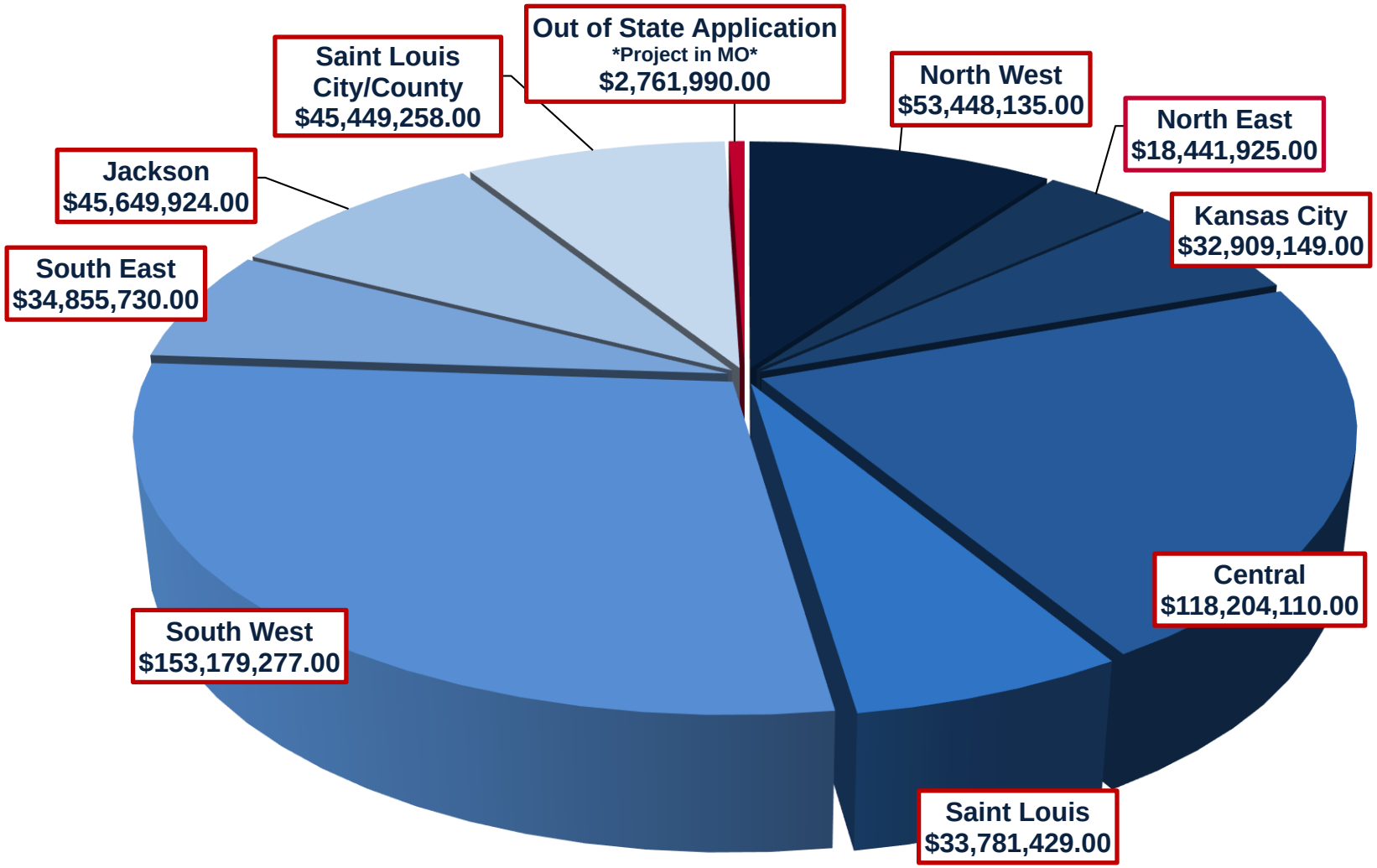
MLDP Category	2021	2022	2023
Small Business	35%	28%	61%
Agriculture	60%	69%	30%
Multi-Family Housing	5%	3%	8%
Job Enhancement	0%	0%	0.003%
Government Entity	0.22%	0%	0.003%
Alternative Energy	0%	0%	0%

Small Business Participation by Plan Year

- Small Business is currently the largest category in the program and continues to be an important factor in strengthening local communities statewide.



2023 Regional Breakdown



MO BUCK$

Linked Deposits for small businesses, farms, and communities

VIVEK MALEK
MISSOURI STATE TREASURER

Top 20 Participating Banks

Bank Name	Total Amount of Deposits	Number of Deposits
FCS Financial (900)	$104,707,400.00	283
Oakstar Bank (380)	$82,534,008.00	97
Hawthorn Bank (258)	$49,537,133.00	67
Mid Missouri Bank (046)	$37,443,200.00	107
BTC Bank (031)	$28,711,649.00	97
Legends Bank (357)	$28,034,505.00	59
Equity Bank (325)	$24,150,782.00	28
Belgrade State Bank (025)	$18,354,419.00	24
Triad Bank (839)	$18,218,767.00	9
First State Community Bank (170)	$16,298,244.00	27
First State Bank Of St. Charles (555)	$16,210,000.00	17
Legacy Bank and Trust Co (469)	$15,046,367.00	7
Busey Bank (117)	$10,312,918.00	3
Farm Credit Southeast Missouri (901)	$9,309,000.00	16
Central Bank (259)	$8,514,237.00	13
Wood And Huston Bank (382)	$7,736,500.00	11
Heritage Bank of the Ozarks (365)	$7,518,088.00	5
Maries County Bank (642)	$7,185,886.00	28
Saint Louis Bank (179)	$7,062,500.00	3
Commerce Bank (289)	$6,641,779.00	16

In Summary…

- Due to overwhelming demand, MO BUCK$ was temporarily closed to all new applicants in May 2023 as it was approaching the cap.
- The primary driver of participation over the years has been the interest rate environment.
- The program is more attractive in rising/higher rate environments and entered another growth cycle with the unprecedented increase in interest rates since March 2022.
- The program was opened up for the *Farm Relief Loan Program* (August 13th - October 31st of this year) to provide financial assistance to Missouri farmers impacted by the recent drought.
- During PY2023, the program experienced an increase of 84% in the total deposits outstanding.
- We expect rates to level off in 2024 while demand should remain elevated during this higher rate environment.